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Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

OMB No 1545-0052

2009

Department of the Treasury
Internal Revenue Service

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2009, or tax year beginning NOV 1, 2009, and ending OCT 31, 2010

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return
☐ Amended return ☐ Address change ☐ Name change

Use the IRS label Otherwise, print or type. See Specific Instructions	Name of foundation DILLON FOUNDATION		A Employer identification number 36-6059349
	Number and street (or P.O. box number if mail is not delivered to street address) P.O. BOX 537	Room/suite	B Telephone number (815) 626-9000
	City or town, state, and ZIP code STERLING, IL 61081		C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col (c), line 16)
\$ 59,480,813. (Part I, column (d) must be on cash basis)

J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	30,000.	30,000.		STATEMENT 1
	4 Dividends and interest from securities	1,350,639.	1,350,639.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	2,454,623.			
	b Gross sales price for all assets on line 6a	21,711,179.			
	7 Capital gain net income (from Part IV, line 2)		2,454,623.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income	114,068.	114,068.		STATEMENT 3	
12 Total. Add lines 1 through 11	3,949,330.	3,949,330.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	3,630.	3,630.		0.
	14 Other employee salaries and wages	16,591.	0.		16,591.
	15 Pension plans, employee benefits	1,239.	0.		1,239.
	16a Legal fees STMT 4	390.	0.		390.
	b Accounting fees STMT 5	55,755.	28,285.		27,470.
	c Other professional fees STMT 6	441,445.	441,445.		0.
	17 Interest				
	18 Taxes STMT 7	57,060.	26,060.		0.
	19 Depreciation and depletion				
	20 Occupancy	25,840.	0.		25,840.
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 8	12,959.	276.		12,683.
	24 Total operating and administrative expenses. Add lines 13 through 23	614,909.	499,696.		84,213.
	25 Contributions, gifts, grants paid	2,830,706.			2,830,706.
26 Total expenses and disbursements. Add lines 24 and 25	3,445,615.	499,696.		2,914,919.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	503,715.				
b Net investment income (if negative, enter -0-)		3,449,634.			
c Adjusted net income (if negative, enter -0-)			N/A		

Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	5,780,024.	3,675,905.	3,675,905.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations STMT 11	5,562,811.	4,764,160.	4,764,160.
	b Investments - corporate stock STMT 12	13,793,005.	11,220,554.	11,220,554.
	c Investments - corporate bonds STMT 13	8,096,233.	5,909,094.	5,909,094.
11 Investments - land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other STMT 14	24,217,188.	33,397,023.	33,397,023.	
14 Land, buildings, and equipment: basis ▶				
Less accumulated depreciation ▶				
15 Other assets (describe ▶ STATEMENT 15)	472,631.	514,077.	514,077.	
16 Total assets (to be completed by all filers)	57,921,892.	59,480,813.	59,480,813.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	57,921,892.	59,480,813.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances	57,921,892.	59,480,813.	
	31 Total liabilities and net assets/fund balances	57,921,892.	59,480,813.	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	57,921,892.
2 Enter amount from Part I, line 27a	2	503,715.
3 Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 9	3	1,105,922.
4 Add lines 1, 2, and 3	4	59,531,529.
5 Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 10	5	50,716.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	59,480,813.

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b SEE ATTACHED STATEMENT				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e 21,711,179.		19,256,556.	2,454,623.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			2,454,623.

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	2,454,623.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3	N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	2,693,750.	53,699,393.	.050164
2007	4,118,396.	81,287,538.	.050665
2006	4,616,484.	92,719,595.	.049790
2005	4,316,209.	86,661,092.	.049806
2004	4,176,541.	84,083,384.	.049671

2 Total of line 1, column (d)	2	.250096
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.050019
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	56,674,247.
5 Multiply line 4 by line 3	5	2,834,789.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	34,496.
7 Add lines 5 and 6	7	2,869,285.
8 Enter qualifying distributions from Part XII, line 4	8	2,914,919.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate.
See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	34,496.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	34,496.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	34,496.
6 Credits/Payments:			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	40,431.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	40,431.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	5,935.	
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax <input checked="" type="checkbox"/> 5,935. Refunded <input type="checkbox"/>	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities	2	X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3	X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5	X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	7	X
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> IL		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? If "Yes," complete Part XIV	9	X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10	X

N/A

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► PETER DILLON Telephone no. ► (815) 626-9000 Located at ► PO BOX 537, STERLING, IL ZIP+4 ► 61081			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15		N/A

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	1b
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?		1c
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? If "Yes," list the years ►	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	N/A	2b
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.)	N/A	3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?		4b

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

Organizations relying on a current notice regarding disaster assistance check here

▶ ☐**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If "Yes" to 6b, file Form 8870

6b

X

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 16		3,630.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000

0

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
MORGAN STANLEY PRIVATE WEALTH MANAGEMENT - 3424 PEACHTREE RD 12TH FLOOR, ATLANTA, GA	INVESTMENT MANGER FEES	374,135.
LINDGREN CALLIHAN VANOSDOL 403 E 3RD ST, STERLING, IL 61081	AUDIT, INVESTMENT ACCOUNTING AND TAX W	55,755.

Total number of others receiving over \$50,000 for professional services

0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

	Amount
1 N/A	
2	
3 All other program-related investments. See instructions.	
Total. Add lines 1 through 3	0.

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	52,612,246.
b	Average of monthly cash balances	1b	257,670.
c	Fair market value of all other assets	1c	4,667,391.
d	Total (add lines 1a, b, and c)	1d	57,537,307.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	57,537,307.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	863,060.
5	Net value of noncharitable-use assets Subtract line 4 from line 3. Enter here and on Part V, line 4	5	56,674,247.
6	Minimum investment return Enter 5% of line 5	6	2,833,712.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	2,833,712.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	34,496.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	34,496.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	2,799,216.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	2,799,216.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	2,799,216.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	2,914,919.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	2,914,919.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	34,496.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,880,423.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				2,799,216.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004	181,818.			
b From 2005	129,270.			
c From 2006	159,944.			
d From 2007	97,489.			
e From 2008	39,446.			
f Total of lines 3a through e	607,967.			
4 Qualifying distributions for 2009 from Part XII, line 4: ► \$ 2,914,919.				
a Applied to 2008, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2009 distributable amount				2,799,216.
e Remaining amount distributed out of corpus	115,703.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	723,670.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	181,818.			
9 Excess distributions carryover to 2010 Subtract lines 7 and 8 from line 6a	541,852.			
10 Analysis of line 9:				
a Excess from 2005	129,270.			
b Excess from 2006	159,944.			
c Excess from 2007	97,489.			
d Excess from 2008	39,446.			
e Excess from 2009	115,703.			

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount		
1 Program service revenue:						
a _____						
b _____						
c _____						
d _____						
e _____						
f _____						
g Fees and contracts from government agencies						
2 Membership dues and assessments						
3 Interest on savings and temporary cash investments			14	30,000.		
4 Dividends and interest from securities			14	1,350,639.		
5 Net rental income or (loss) from real estate:						
a Debt-financed property						
b Not debt-financed property						
6 Net rental income or (loss) from personal property						
7 Other investment income			01	114,068.		
8 Gain or (loss) from sales of assets other than inventory			18	2,454,623.		
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue:						
a _____						
b _____						
c _____						
d _____						
e _____						
12 Subtotal Add columns (b), (d), and (e)		0.		3,949,330.		0.
13 Total Add line 12, columns (b), (d), and (e)					13	3,949,330.

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]

Part XVII

Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations




- | | | Yes | No |
|----------|--|--------------|----------|
| 1 | Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | |
| a | Transfers from the reporting foundation to a noncharitable exempt organization of: | | |
| | (1) Cash | 1a(1) | X |
| | (2) Other assets | 1a(2) | X |
| b | Other transactions: | | |
| | (1) Sales of assets to a noncharitable exempt organization | 1b(1) | X |
| | (2) Purchases of assets from a noncharitable exempt organization | 1b(2) | X |
| | (3) Rental of facilities, equipment, or other assets | 1b(3) | X |
| | (4) Reimbursement arrangements | 1b(4) | X |
| | (5) Loans or loan guarantees | 1b(5) | X |
| | (6) Performance of services or membership or fundraising solicitations | 1b(6) | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c | X |
| d | If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | |

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No
- b** If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer or trustee 		Date 2/14/11		Title PRESIDENT	
	Paid Preparer's Use Only Preparer's signature  Firm's name (or yours if self-employed), address, and ZIP code WIPFLI LLP CPAs and Consultants 403 East Third Street Sterling, IL 61081-3701 39-0758449	Date 2/14/11		Check if self-employed <input type="checkbox"/>		Preparer's identifying number P00302847
					EIN 	
					Phone no. 815-626-1277	

DILLON FOUNDATION

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	CINCINNATI INVESTMENT GRADE CORPORATE BONDS	P	VARIOUS	VARIOUS
b	DELAWARE	P	VARIOUS	VARIOUS
c	RENAISSANCE	P	VARIOUS	VARIOUS
d	RIVER ROAD	P	VARIOUS	VARIOUS
e	SAGE ADVISORY INVESTMENT GRADE GOV'T BONDS	P	VARIOUS	VARIOUS
f	SCHAFER CULLEN	P	VARIOUS	VARIOUS
g	WENTWORTH	P	VARIOUS	VARIOUS
h	OPPORTUNITISTIC BEST IDEAS	P	VARIOUS	VARIOUS
i	S & P 500 PLUS NOTE	P	VARIOUS	VARIOUS
j	FLORIDA CERTIFICATES	P	VARIOUS	VARIOUS
k	ILLINOIS CERTIFICATES	P	VARIOUS	VARIOUS
l	IOWA CERTIFICATES	P	VARIOUS	VARIOUS
m	NEBRASKA CERTIFICATES	P	VARIOUS	VARIOUS
n				
o				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 3,296,149.		3,058,200.	237,949.
b 850,333.		541,790.	308,543.
c 2,603,222.		2,420,042.	183,180.
d 1,211,667.		1,215,855.	-4,188.
e 8,406,248.		8,339,410.	66,838.
f 383,796.		354,863.	28,933.
g 64,399.		38,685.	25,714.
h 1,211,760.		1,108,337.	103,423.
i 3,000,000.		1,515,000.	1,485,000.
j 366,694.		356,756.	9,938.
k 95,230.		90,168.	5,062.
l 9,640.		9,076.	564.
m 212,041.		208,374.	3,667.
n			
o			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			237,949.
b			308,543.
c			183,180.
d			-4,188.
e			66,838.
f			28,933.
g			25,714.
h			103,423.
i			1,485,000.
j			9,938.
k			5,062.
l			564.
m			3,667.
n			
o			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter "-0-" in Part I, line 7 }	2	2,454,623.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8 }	3	N/A

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
FIFTH THIRD BANK	560.
MORGAN STANLEY	1,316.
PMGJP & AC, LLC	28,124.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	30,000.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
BAC ELKS NOTE	76,061.	0.	76,061.
CINCINNATI INVESTMENT GRADE CORP BONDS	387,589.	0.	387,589.
DELAWARE INTERNATIONAL	235,819.	0.	235,819.
DJIA LASER NOTES	140.	0.	140.
MISCELLANEOUS DIVIDENDS	50,716.	0.	50,716.
OPPORTUNITISTIC BEST IDEAS	159,552.	0.	159,552.
REIT JUMP NOTE	37.	0.	37.
RENAISSANCE LG CAP GROWTH	48,042.	0.	48,042.
RIVER ROAD ACCOUNT	38,305.	0.	38,305.
SAGE ADVISORY INVESTMENT GRADE GOV'T BONDS	129,672.	0.	129,672.
SCHAFER CULLEN LARGE CAP	179,373.	0.	179,373.
WENTWORTH HAUSER INTERNATIONAL	45,333.	0.	45,333.
TOTAL TO FM 990-PF, PART I, LN 4	1,350,639.	0.	1,350,639.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
OTHER INCOME	114,068.	114,068.	
TOTAL TO FORM 990-PF, PART I, LINE 11	114,068.	114,068.	

FORM 990-PF	LEGAL FEES			STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
LEGAL	390.	0.		390.	
TO FM 990-PF, PG 1, LN 16A	390.	0.		390.	

FORM 990-PF	ACCOUNTING FEES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
ACCOUNTING	55,755.	28,285.		27,470.	
TO FORM 990-PF, PG 1, LN 16B	55,755.	28,285.		27,470.	

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
INVESTMENT FEES	401,536.	401,536.		0.	
CONSULTING FEES	394.	394.		0.	
MANAGEMENT FEES	39,515.	39,515.		0.	
TO FORM 990-PF, PG 1, LN 16C	441,445.	441,445.		0.	

FORM 990-PF	TAXES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
EXCISE TAX ON INVESTMENT INCOME	31,000.	0.		0.	
FOREIGN TAXES PAID	26,060.	26,060.		0.	
TO FORM 990-PF, PG 1, LN 18	57,060.	26,060.		0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT 8
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
POSTAGE & OFFICE SUPPLIES	5,960.	0.		5,960.
DUES AND SUBSCRIPTIONS	2,496.	0.		2,496.
BANK SERVICE CHARGE	276.	276.		0.
MISCELLANEOUS	4,227.	0.		4,227.
TO FORM 990-PF, PG 1, LN 23	12,959.	276.		12,683.

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT 9
DESCRIPTION		AMOUNT
CURRENT PERIOD UNREALIZED GAIN (LOSS) ON INVESTMENTS		1,105,922.
TOTAL TO FORM 990-PF, PART III, LINE 3		1,105,922.

FORM 990-PF	OTHER DECREASES IN NET ASSETS OR FUND BALANCES	STATEMENT 10
DESCRIPTION		AMOUNT
ACCRUED DIVIDEND AND INTEREST ADJUSTMENT		50,716.
TOTAL TO FORM 990-PF, PART III, LINE 5		50,716.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 11

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
SAGE ADVISORY	X		4,764,160.	4,764,160.
TOTAL U.S. GOVERNMENT OBLIGATIONS			4,764,160.	4,764,160.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			4,764,160.	4,764,160.

FORM 990-PF CORPORATE STOCK STATEMENT 12

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
RENAISSANCE LARGE CAP GROWTH	4,129,347.	4,129,347.
RIVER ROAD SMALL/MID VALUE	2,376,710.	2,376,710.
S&P 500 PLUS NOTE	0.	0.
SCHAFFER CULLEN LARGE CAP VALUE	4,714,497.	4,714,497.
TOTAL TO FORM 990-PF, PART II, LINE 10B	11,220,554.	11,220,554.

FORM 990-PF CORPORATE BONDS STATEMENT 13

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CINCINNATI INVESTMENT BONDS	5,909,094.	5,909,094.
TOTAL TO FORM 990-PF, PART II, LINE 10C	5,909,094.	5,909,094.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	14
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
DJIA LASERS NOTE	COST	3,794,000.	3,794,000.
OPPORTUNISTIC BEST IDEAS	COST	5,541,830.	5,541,830.
BAC ELKS NOTE	COST	1,130,250.	1,130,250.
DELAWARE INTERNATIONAL	COST	6,170,263.	6,170,263.
FRONTPOINT	COST	271,113.	271,113.
INTEREST RATE STRUCTURED NOTE	COST	1,032,500.	1,032,500.
AURORA HEDGE FUND	COST	4,280,365.	4,280,365.
AVENUE STRATEGIC PTNR HEDGE FUND	COST	2,218,949.	2,218,949.
FOREIGN CURRENCY STRUCTURED NOTE	COST	1,582,500.	1,582,500.
REIT JUMP NOTE	COST	2,408,000.	2,408,000.
TAX LIENS PURCHASED	COST	1,698,637.	1,698,637.
WENTWORTH HAUSER	COST	3,268,616.	3,268,616.
TOTAL TO FORM 990-PF, PART II, LINE 13		33,397,023.	33,397,023.

FORM 990-PF	OTHER ASSETS	STATEMENT	15
DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
CONSTRUCTION IN PROGRESS	472,631.	514,077.	514,077.
TO FORM 990-PF, PART II, LINE 15	472,631.	514,077.	514,077.

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 16

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
PETER W. DILLON C/O DILLON FOUND., 2804 W. LEFEVRE STERLING, IL 61081	PRESIDENT 12.00	0.	0.	0.
PATRICK DILLON C/O DILLON FOUND., 2804 W. LEFEVRE STERLING, IL 61081	DIRECTOR & VICE PRESIDENT 0.10	0.	0.	0.
JAMES M. BOESEN C/O DILLON FOUND., 2804 W. LEFEVRE STERLING, IL 61081	SECRETARY & TREASURER 0.50	3,630.	0.	0.
MARGO DILLON C/O DILLON FOUND., 2804 W. LEFEVRE STERLING, IL 61081	ASSISTANT TREASURER 0.10	0.	0.	0.
GALE D. INGLEE C/O DILLON FOUND., 2804 W. LEFEVRE STERLING, IL 61081	ASSISTANT SECRETARY 0.10	0.	0.	0.
MOLLY DILLON C/O DILLON FOUND., 2804 W. LEFEVRE STERLING, IL 61081	DIRECTOR 0.10	0.	0.	0.
JOHN VANOSDOL C/O DILLON FOUND., 2804 W. LEFEVRE STERLING, IL 61081	DIRECTOR 0.10	0.	0.	0.
THOMAS LEXVOLD C/O DILLON FOUND., 2804 W. LEFEVRE STERLING, IL 61081	DIRECTOR 0.10	0.	0.	0.
BROOK MILLER C/O DILLON FOUND., 2804 W. LEFEVRE STERLING, IL 61081	DIRECTOR 0.10	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		3,630.	0.	0.

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION
PART XV, LINES 2A THROUGH 2D

STATEMENT 17

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTEDPETER W. DILLON
PO BOX 537
STERLING, IL 61081TELEPHONE NUMBER

(815)626-9000

FORM AND CONTENT OF APPLICATIONSIN LETTER FORM STATING PURPOSE OF GRANT AND INCLUDE COPY OF EXEMPTION
LETTERANY SUBMISSION DEADLINES

NONE

RESTRICTIONS AND LIMITATIONS ON AWARDS

NONE

DILLON FOUNDATION

Form 990-PF

36-605934

F/Y/E 10/31/10

Part XV. Line 3a - Grants and Contributions Paid During the Year:

PAYEE	ADDRESS	CHECK AMOUNT	PURPOSE CODE
ABRAHAM LINCOLN PRESIDENTIAL LIBRARY	112 NORTH SIXTH STREET, SPRINGFIELD, IL 62701	2,000	A
ACCESS SERVICES OF NORTHERN ILLINOIS	7399 FOREST HILLS RD, LOVES PARK, IL 61111	1,750	S
AGAPE CARE TEAM HEALTH SERVICES	502 E 2ND STREET, TAMPICO, IL 61283	500	P
ALZHEIMER'S DISEASE & RELATED DISORDERS ASSOCIATION	C/O ALZHEIMER ASSOCIATION ROCK RIVER BRANCH	1,600	H
AMERICAN CANCER SOCIETY / NORTHERN REGION	4312 EAST STATE ST, ROCKFORD, IL 61108	7,000	G
AMERICAN RED CROSS / LINCOLN LAND CHAPTER	112 W SECOND ST, ROCK FALLS, IL 61071	4,000	P
AMERICA'S FUTURE INC	7800 BONHOMME AVE, ST LOUIS, MO 63105	1,600	B
ANIMAL FRIENDS RESCUE PROJECT	P O BOX 51083, PACIFIC GROVE, CA 93950	500	D
ASSOCIATION OF SMALL FOUNDATIONS	4905 DEL RAY AVE SUITE 308, BETHESDA, MD 20814	2,500	T
AUGUSTANA COLLEGE / WVIK	ATTENTION FRANK SUNDRAM	500	A
AVISTA HOSPITAL FOUNDATION	7995 E PRENTICE AVE #204, GREENWOOD VILLAGE, CO 8011	500	G
BEREA COLLEGE	BEREA KY 40404	7,500	B
BI COUNTY COOPERATIVE FOUNDATION	506 W FOURTH ST #B, STERLING, IL 61081	14,500	B
BIG BROTHER-BIG SISTER OF THE MISSISSIPPI VALLEY	300 FIRST AVENUE, ROCK FALLS, IL 61071	4,500	O
BOY SCOUTS OF AMERICA BLACKHAWK AREA COUNCIL	1800 7TH AVENUE, P O BOX 4085, ROCKFORD, IL 61110-0585	6,250	O
BOY SCOUTS OF AMERICA DENVER COUNCIL	2901 W 19TH AVENUE, DENVER, CO 80204	3,000	O
CAPITAL RESEARCH CENTER	1513 16TH ST NW, WASHINGTON, DC 20036-5197	1,000	W
CENTRAL INDIA CHRISTIAN MISSION	9911 EMNORA LANE, HOUSTON, TX 77080	2,000	P
CGH HEALTH FOUNDATION	100 E LEFEVRE, STERLING, IL 61081	16,000	E
CHALLAND MIDDLE SCHOOL	1700 6TH AVENUE, STERLING, IL 61081	583	B
CHILDREN INTERNATIONAL	P O BOX 219055, KANSAS CITY, MO 64121	1,500	P
CHILDREN'S DIABETES FOUNDATION AT DENVER	777 GRANT ST SUITE 302, DENVER, CO 80203	5,000	G
CHINESE CHILDREN CHARITIES	6920 SOUTH HOLLY CIRCLE, CENTENNIAL, CO 80112	1,250	P
CHRIST LUTHERAN CHURCH	2000 18TH AVENUE, STERLING, IL 61081	1,625	B
CITY OF GOD	PO BOX 745, STERLING, IL 61081	2,100	X
CITY OF STERLING	212 THIRD AVENUE, STERLING, IL 61081	161,076	S
CITY OF STERLING - DARE PROGRAM	212 THIRD AVENUE, STERLING, IL 61081	3,000	B
CITY OF STERLING - STERLING MUNICIPAL BAND	212 THIRD AVENUE, STERLING, IL 61081	8,888	A
CLINTON SYMPHONY ORCHESTRA ASSOCIATION	P O BOX 116, CLINTON, IA 52733-0116	3,100	A
COLOMA TOWNSHIP PARK DISTRICT	508 EAST 11TH STREET, ROCK FALLS, IL 61071	12,500	N
COMMUNITY CHRISTMAS FOR CHILDREN	C/O CAROL SIEFKEN, 409 WEST 21ST ST, STERLING, IL 61081	14,000	P
COMMUNITY UNIT SCHOOL DISTRICT 5	410 E LEFEVRE RD, STERLING, IL 61081	541,582	B
COUNCIL FOR ECONOMIC EDUCATION	122 EAST 42ND STREET, SUITE 2600, NEW YORK, NY 10168	2,000	B
CULTURAL LITERACY FOUNDATION	801 E HIGH ST, CHARLOTTESVILLE, VA 22901	1,000	B
DANIELS MIDDLE SCHOOL	2816 ABERLIN RD , RALEIGH, NC 27608	750	B
DENVER ZOOLOGICAL FOUNDATION INC	2300 STEELE STREET, DENVER, CO 80205	4,000	A
DISCOVERY CENTER MUSEUM OF ROCKFORD, INC	711 NORTH MAIN, ROCKFORD, IL 61103	250	A
EAST COLOMA SCHOOL DISTRICT 12	1602 DIXON RD, ROCK FALLS, IL 61071	2,788	B
FIRST PRESBYTERIAN CHURCH	410 2ND AVENUE, STERLING, IL 61081	26,500	X
FOOD BANK OF MONTEREY COUNTY	815 W MARKET #5, SALINAS, CA 93901	500	K
FOUNDATION FOR TEACHING ECONOMICS	260 RUSSELL BLVD SUITE B DAVIS, CA 95616	4,650	B
FOX VALLEY HOSPICE	P O BOX 707, GENEVA, IL 60134	6,125	P
FREEDOMS FOUNDATION AT VALLEY FORGE	P O BOX 706, VALLEY FORGE, PA 19481	2,000	A
GIANNI'S HOUSE PREGNANCY RESOURCE CENTER	901 W RTE 30, ROCK FALLS, IL 61071	500	P
GIRL SCOUTS OF NORTHERN ILLINOIS FREEPORT SERVICE CENTER	5040 BUSINESS ROUTE #20, WEST, FREEPORT, IL 61032-8741	4,200	O
GRACE EPISCOPAL CHURCH	707 FIRST AVENUE, STERLING IL 61081	38,500	X
GREATER STERLING DEVELOPMENT CORPORATION	1741 INDUSTRIAL DRIVE, STERLING, IL 61081	31,817	S
GUIDING EYES FOR THE BLIND	611 GRANITE SPRINGS RD, YORKTOWN HEIGHTS, NY 10598	2,000	E
HAPPY TAILS HUMANE SOCIETY	16761 HICKORY HILLS RD	250	D
HAYES BARTON BAPTIST CHURCH	1800 GLENWOOD AVENUE, RALEIGH, NC 27608	200	X
HOME OF HOPE OF THE ROCK RIVER VALLEY INC	1637 PLOCK RD, DIXON, IL 61021	6,000	P
HOSPICE OF ROCK RIVER VALLEY	264 IL RTE 2, DIXON, IL 61021	7,800	E
ILLINOIS COUNCIL ON ECONOMIC EDUCATION	NORTHERN ILLINOIS UNIVERSITY, DEKALB, IL 61115	2,000	B
ILLINOIS MATHEMATICS & SCIENCE ACADEMY	1500 W SULLIVAN ROAD, AURORA, IL 60506-1039	4,200	B
JOHNSON O' CONNOR RESEARCH	347 BEACON ST, BOSTON, MA 02116-1102	1,500	B
JOYNER ELEMENTARY SCHOOL	2300 LOWDEN STREET, RALEIGH, NC 27608	1,100	B
JUNIOR ACHIEVEMENT OF THE HEARTLAND, INC	800 12TH AVENUE, MOLINE, IL 61265	4,250	O
JUNIOR TACKLE FOOTBALL INC OF STERLING, IL	3806 WOODLAWN RD, STERLING, IL 61081	6,500	N
KEITH COUNTY DAY SCHOOL	1 JACOBY PLACE, ROCKFORD, IL 61107	1,500	B
KIWANIS CLUB OF STERLING FOUNDATION	ATTENTION CHRIS WILEN, COATS FOR KIDS CO-CHAIRPERS	3,050	P
LES TURNER A L S FOUNDATION	5550 W TOUHY AVENUE, SUITE 302, SKOKIE, IL 6077-3254	1,000	H
LUTHERAN SOCIAL SERVICES OF IL	1901 FIRST AVENUE, STERLING, IL 61081	4,250	P
LYRIC OPERA OF CHICAGO	20 N WACHER DRIVE, CHICAGO, IL 60606	10,000	A
MAKE A WISH FOUNDATION OF COLORADO INC	7951 E MAPLEWOOD AVENUE, GREENWOOD VILLAGE, CO 80	5,000	P
MARCH OF DIMES BIRTH DEFECTS FOUNDATION NORTHERN IL DIVISION	5411 EAST STATE ST #8, ROCKFORD, IL 61108	2,100	H
MAX MCGRAW WILD LIFE FOUNDATION	14N 322 RTE 25, P O BOX 9, DUNDEE, IL 60118	6,126	D
MAYO FOUNDATION FOR MEDICAL EDUCATION & RESEARCH	200 FIRST ST S W, ROCHESTER, MN 55905	10,000	E
MEMORIAL SLOAN-KETTERING CANCER CENTER	P O BOX 599 LENNOX HILL, NEW YORK, NY 10021-0004	2,500	H
MONTANA STATE UNIVERSITY	MUSEUM OF THE ROCKIES, INC CAPITAL CAMPAIGN	7,500	A
MONTMORENCY SCHOOL DISTRICT 12	1602 DIXON AVE, ROCK FALLS, IL 61071	3,238	B
MUSCULAR DYSTROPHY ASSN	2444 E KIMBERLY RD #B, DAVENPORT, IA 52807	2,800	H
NATIONAL CHILD SAFETY COUNCIL	4065 PAGE AVE, PO BOX 1368, JACKSON, MI 49202	1,000	B
NATIONAL FIRE SAFETY COUNCIL INC	110 WEST 5TH ST, STERLING, IL 61081	400	M
NATIONAL JEWISH MEDICAL AND RESEARCH CENTER	100 NORTH LASALLE SUITE 1612, CHICAGO, IL 60602	2,000	E
NATIONAL TRUST FOR HISTORIC PRESERVATION	MIDWEST REGIONAL, 53 W JACKSON BLVD SUITE 350	4,000	A
NELSON PUBLIC ELEMENTARY SCHOOL	P O BOX 880, NELSON, IL 61071	1,108	B
NEWMAN CENTRAL CATHOLIC HIGH SCHOOL	1101 WEST ST MARY'S ROAD, STERLING, IL 61081	2,728	B
NORTHERN ILLINOIS UNIVERSITY FOUNDATION - WNIU	801 N FIRST ST, DEKALB, IL 60115-2854	4,000	A
NORTHWESTERN IL CENTER FOR INDEPENDENT LIVING	229 FIRST AVE, SUITE 2, ROCK FALLS, IL 61071	1,800	P
OPERATION SMILE	6435 TIDEWATER DR , NORFOLK, VA 23509	2,500	P
PACIFIC GROVE ART CENTER	568 LIGHTHOUSE AVENUE, PACIFIC GROVE, CA 93950	500	A
PACIFIC PROWLER NONPROFIT	1412 GREENWOOD RD , WEATHERFORD, TX 76088	1,000	B
PARKER EVANGELICAL PRESBYTERIAN CHURCH	9100 E PARKER ROAD, PARKER, CO 80138	1,250	X
PRESBYTERIAN CHURCH (USA) FOUNDATION	200 EAST TWELFTH STREET, JEFFERSONVILLE, IN 47130	7,500	X
RIVERDALE SCHOOL DISTRICT 14	3505 PROPHET RD, ROCK FALLS, IL 61071	1,475	B
ROCK FALLS ELEMENTARY SCHOOL DISTRICT 13	602 4TH AVENUE, ROCK FALLS, IL 61071	9,435	B

DILLON FOUNDATION

Form 990-PF

36-605934

F/Y/E 10/31/10

Part XV, Line 3a - Grants and Contributions Paid During the Year:

PAYEE	ADDRESS	CHECK AMOUNT	PURPOSE CODE
ROCK FALLS PUBLIC LIBRARY	1007 7TH AVE, ROCKFALLS, IL 61071	7,500	A
ROCK FALLS TOWNSHIP HIGH SCHOOL DISTRICT 301	101 12TH AVE, ROCK FALLS, IL 61071	6,170	B
ROCK RIVER ROAD RUNNERS	C/O JOHN GEHRKE	701	B
ROCK RIVER VALLEY SELF HELP ENTERPRISES	2300 WEST LEFEVRE ROAD, STERLING, IL 61081	16,389	F
ROCKFORD ART MUSEUM	711 N MAIN ST, ROCKFORD, IL 61103	500	A
ROCKFORD COLLEGE	5050 EAST STATE ST, ROCKFORD, IL 61108	5,000	B
SAUK VALLEY COMMUNITY COLLEGE FOUNDATION	173 ILLINOIS ROUTE #2, DIXON, IL 61021	65,224	B
SAUK VALLEY FOODBANK	1801 PLANT RD, STERLING, IL 61081	9,000	K
SEVENTH DAY ADVENTIST	501 W SECOND ST, ROCK FALLS, IL 61071	2,000	X
SHELTER BOX USA	8374 MARKET ST, #203, LAKEWOOD RANCH, FL 34202	5,000	P
SISKIN CHILDREN'S INSTITUTE	ONE SISKIN PLAZA, CHATTANOOGA, TN 37403	5,000	E
SPECIAL OLYMPICS OF ILLINOIS	605 E WILLOW ST, NORMAL, IL 61761	3,300	N
ST ANDREW CATHOLIC ELEMENTARY SCHOOL	701 11TH AVE ROCK FALLS, IL 61071	2,233	B
ST JUDE CHILDREN'S RESEARCH HOSPITAL	501 ST JUDE PL, MEMPHIS, TN 38105	5,300	E
ST MARK'S EPISCOPAL CHURCH	320 FRANKLIN STREET GENEVA, IL 60134	5,000	X
ST MARY'S GRADE SCHOOL	6 W SIXTH ST, STERLING, IL 61081	3,958	B
STANWOOD COMMUNITY SENIOR CENTER	7430 276TH STREET NW, STANWOOD, WA 98292-8629	7,500	P
STERLING ATHLETIC BOOSTER CLUB	26895 PENROSE RD, STERLING, IL 61081	500	N
STERLING BASKETBALL ASSOCIATION	26895 PENROSE RD, STERLING, IL 61081	500	N
STERLING HIGH SCHOOL	1608 FOURTH AVE, STERLING, IL 61081	7,555	B
STERLING MAIN STREET	P O BOX 261, STERLING, IL 61081	3,000	S
STERLING PARK DISTRICT	P O BOX 958, 211 E ST MARY'S ROAD, STERLING, IL 61081	458,594	N
STERLING PARK DISTRICT MUSEUM ASSOCIATION	P O BOX 958, 211 E ST MARY'S ROAD, STERLING, IL 61081	88,575	A
STERLING PARK DISTRICT SINNISSIPPI TRAIL PROJECT	P O BOX 958, 211 E ST MARY'S ROAD, STERLING, IL 61082	33,725	N
STERLING PARK DISTRICT SINNISSIPPI TRAIL PROJECT CAPITAL	P O BOX 958, 211 E ST MARY'S ROAD, STERLING, IL 61081	6,780	N
STERLING PUBLIC LIBRARY	102 WEST 3RD ST, STERLING IL 61081	23,000	A
STERLING ROCK FALLS DAY CARE AGENCY, INC	1840 W LE FEVRE, STERLING, IL 61081	8,500	O
STERLING ROCK FALLS FAMILY YMCA (ANNUAL SUPPORT)	2505 YMCA WAY, STERLING, IL 61081	204,830	P
STERLING ROCK FALLS HISTORICAL SOCIETY	1005 E 3RD, STERLING, IL 61081	57,747	A
STERLING SCHOOLS FOUNDATION	P O BOX 1046, STERLING, IL 61081	159,203	B
THE ABUNDANCE FOUNDATION	2743 WOOLSEY ST, BERKLEY, CA 94705	500	P
THE ASSOCIATED COLLEGES OF ILLINOIS	150 N WACKER DR, SUITE 11740, CHICAGO, IL 60606	12,000	B
THE CIVIL WAR PRESERVATION TRUST	1331 H STREET SUITE #1001, WASHINGTON, DC 20005	4,000	A
THE CULVER EDUCATIONAL FOUNDATION	1300 ACADEMY RD #29, CULVER, IN 46511	15,000	B
THE DICTIONARY PROJECT	P O BOX 1845, CHARLESTON, S C 29402	1,000	B
THE FOUNDATION CENTER	79 5TH AVENUE, NEW YORK, NY 10003	2,400	T
THE JOSEPH F GLIDDEN HOMESTEAD FOUNDATION	2944 GREENWOOD ACRES DR, DEKALB, IL 60115	3,000	A
THE NATIONAL ARBOR DAY FOUNDATION	GIFT PLANNING, 211 N 12TH, LINCOLN, NE 68508-1497	1,500	C
THE NATURE CONSERVANCY OF IL CHAPTER	8 S MICHIGAN, SUITE 900, CHICAGO, IL 60603-9619	6,000	C
THE PACIFIC GROVE PUBLIC LIBRARY	550 CENTRAL AVENUE, PACIFIC GROVE, CA 93950	750	A
THE PHILANTHROPY ROUND TABLE	1150 17TH ST N W, SUITE 503, WASHINGTON, DC 20036	1,000	T
THE ROCKFORD INSTITUTE	934 NORTH MAIN ST, ROCKFORD, IL 61103	2,000	B
THE SALVATION ARMY	P O BOX 366, STERLING, IL 61081	18,000	P
THE UNITED STATES OLYMPIC COMMITTEE	ONE OLYMPIC PLAZA, COLORADO SPRINGS, CO 80909	2,250	N
TIMBER LAKE PLAYHOUSE	P O BOX 29 MT CARROLL, IL 61053	3,000	A
TRINITY CHAPEL CHURCH	417 CHURCH, BATAVIA, IL 60510	5,250	X
TWIN CITY PUBLIC ACTION TO DELIVER SHELTER, INC	507 W 3RD ST, STERLING, IL 61081	3,200	L
UNION LEAGUE BOYS & GIRLS CLUBS	65 W JACKSON BLVD, CHICAGO, IL 60604	3,200	O
UNITED WAY OF WHITESIDE COUNTY	P O BOX 806, STERLING, IL 61081	159,000	P
UNITED WAY WORLDWIDE	P O BOX 630568, BALTIMORE, MD 21263-0568	2,500	P
UNIVERSITY OF COLORADO FOUNDATION INC	4200 E 9TH AVENUE, B188, DENVER, CO 80262	5,000	B
UNIVERSITY OF DUBUQUE	200 UNIVERSITY AVENUE, DUBUQUE, IA 52001	7,500	B
URSULINE PROVINCIALATE	210 GLENNON HEIGHTS ROAD, CRYSTAL CITY, MO 63019	1,000	P
WESLEY UNITED METHODIST CHURCH	2200 16TH AVE, STERLING, IL 61081	250	X
WHITESIDE AREA CAREER CENTER	1608 FIFTH AVENUE, STERLING, IL 61081	39,500	B
WHITESIDE COUNTY SENIOR CENTER	1207 W 9TH ST, STERLING, IL 61081	15,000	P
WILLIAM G ENLOE HIGH SCHOOL	128 CLARENDON CRESCENT, RALEIGH, NC 27610	200	B
WOODLAWN ARTS ACADEMY- CAPITAL IMPROVEMENTS	3807 WOODLAWN, STERLING, IL 61081	113,226	A
WOODLAWN ARTS ACADEMY- OPERATING EXPENSES	3807 WOODLAWN, STERLING, IL 61081	78,202	A
YMCA AT UNIVERSITY OF ILLINOIS	1001 S WRIGHT ST, CHAMPAIGN, IL 61820	5,600	P
YWCA OF THE SAUK VALLEY	412 FIRST AVE, STERLING, IL 61081	22,850	P
		<u>2,830,706</u>	

Purpose Codes

A-Arts, culture, humanities

B-Education/instruction and related

C-Environmental quality and protection

D-Animal related

E-Health/general and related

F-Mental health and crisis intervention

G-Disease, disorder and medical disciplines

H-Medical research

I-Public protection Crime, courts and legal services

J-Employment, jobs

K-Food, nutrition and agriculture

L-Housing and shelter

M-Public safety, disaster preparedness & relief

N-Recreation, leisure, sports, athletics

O-Youth development

P-Human service

Q-International

R-Civil rights, civil liberties

S-Community improvement, development

T-Philanthropy, voluntarism

U-Science

V-Social sciences

W-Public affairs, society benefit

X-Religion related/spiritual development

Y-Mutual membership benefit organizations